

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 INR-07 L-03 ACDA-07
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USNMR SHAPE
CINCLANT
USDOCOSOUTH
USLOSACLANT
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY REYKJAVIK

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DEFENSE FOR ASD/ISA AND CJCS

E.O. 11652: N/A
TAGS: MPOL, NATO, UK
SUBJECT: UK DEFENSE WHITE PAPER

REFERENCE: USNATO 866

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1. THE "STATEMENT ON THE DEFENSE ESTIMATES 1977",
CMND 6735, IS PUBLISHED TODAY. THE 92-PAGE PAPER IS
BROKEN INTO SEVEN CHAPTERS AND SEVEN ANNEXES.
2. IT BEGINS BY MAKING IN CHAPTER I A POSITIVE DE-
CLARATORY STATEMENT WHICH SETS THE TONE AND CONTEXT FOR
TREATMENT OF SUCH MATTERS AS THE GROWING THREAT AND THE

CUTS IN UK DEFENSE SPENDING. THE FOLLOWING QUOTATIONS ARE INDICATIVE: "THE DEFENSE OF THE UK REMAINS FIRMLY BASED ON THE NORTH ATLANTIC ALLIANCE, SINCE IT IS ONLY THROUGH COLLECTIVE EFFORT THAT THE WEST CAN ENSURE ITS OWN DEFENSE... THE GOVERNMENT'S POLICY, THEREFORE, IS TO CONCENTRATE ITS DEFENSE EFFORT ON THE ALLIANCE... THE NEED FOR THE ALLIANCE TO CONTRIBUTE SUBSTANTIAL RESOURCES TO DEFENSE STILL REMAINS. DETENTE...HAS NOT YET RESULTED IN A LESSENING OF MILITARY CONFRONTATION. ON THE CONTRARY...THE MILITARY POWER OF THE WARSAW PACT CONTINUES TO GROW BOTH IN QUANTITY AND QUALITY. THERE IS NO EVIDENCE TO SUGGEST THAT NATO'S POLICY OF DETERRENCE IS FAILING AND THAT THE WARSAW PACT IS CONTEMPLATING AGGRESSION AGAINST NATO. BUT POLITICAL INTENTIONS CAN CHANGE RAPIDLY, WHEREAS MILITARY CAPABILITY CAN ONLY BE ALTERED OVER A LONG PERIOD. NEVERTHELESS, IT WOULD BE WRONG FOR BRITAIN TO TRY TO SUSTAIN A DEFENSE CONTRIBUTION OUT OF PROPORTION TO HER ECONOMIC STRENGTH... THE REDUCTIONS... IN PLANNED DEFENSE EXPENDITURES...REFLECT SOLELY THE NATIONAL ECONOMIC OUTLOOK FOR THE PERIOD AND THE FACT THAT RECOVERY FROM RECESSION HAS BEEN SLOWER THAN EXPECTED."

3. ON THE MATTER OF DEFENSE CUTS, THE WHITE PAPER CONTAINS NOTHING NOT ALREADY ANNOUNCED AND THUS THE PAPER CIRCULATED IN NATO BY THE UK (REFTEL) REMAINS THE BEST SOURCE FOR DETAILS ON THE PROGRAMS WHICH THE UK WILL CUT. THE WHITE PAPER STATES THAT "IN THE SEARCH FOR SAVINGS THE GOVERNMENT'S OVERRIDING OBJECTIVE WILL BE TO LIMITED OFFICIAL USE

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KEEP TO THE MINIMUM THE EFFECT OF THE REDUCTIONS ON OUR FRONT-LINE CONTRIBUTION TO THE ALLIANCE..."

4. IN THE SECTION ON BRITAIN'S CONTRIBUTION TO NATO THE WHITE PAPER NOTES "THE STEEP DEPRECIATION OF STERLING DURING 1975 AND 1976 ALMOST CERTAINLY MEANS THAT THE FIGURE GIVEN FOR UK DEFENSE EXPENDITURE IN DOLLAR TERMS UNDERVALUES OUR EFFORT COMPARED WITH THAT OF OTHER MEMBERS OF THE ALLIANCE...OUR CONTRIBUTION TO THE ALLIANCE REMAINS VERY SUBSTANTIAL. IN TERMS OF THE PROPORTION OF NATIONAL OUTPUT DEVOTED TO DEFENSE, THE UK IS RANKED THIRD AMONG OUR ALLIES; IN 1976 OUR DEFENSE SPENDING ACCOUNTED FOR 5.1 PERCENT OF GROSS DOMESTIC PRODUCT (GDP) AT MARKET PRICES, COMPARED WITH 5.9 PERCENT FOR THE US, 3.8 PERCENT FOR FRANCE, AND 4.20 PERCENT FOR THE FRG. THE PROPORTION OF OUR DEFENSE EXPENDITURE DEVOTED TO THE PURCHASE OF NEW EQUIPMENT (IS) THE HIGHEST OF 11 ALLIES SURVEYED AT 19 PERCENT, COMPARED WITH 17.5 PERCENT FOR THE US, 14 PERCENT FOR ITALY AND 12 PERCENT FOR

GERMANY..."

5. ON EQUIPMENT PROCUREMENT POLICY THE WHITE PAPER
NOTES "...IT IS BECOMING INCREASINGLY DIFFICULT, IN THE
CASE OF MAJOR PROJECTS INVOLVING ADVANCED TECHNOLOGY, TO
DO THIS BY PURELY NATIONAL ARRANGEMENTS...THERE MUST BE
INCREASING EMPHASIS ON COOPERATION AMONG THE ALLIES...

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INFO OCT-01 ISO-00 OMB-01 CIAE-00 PM-04 INR-07 L-03

ACDA-07 NSAE-00 PA-01 SS-15 PRS-01 SP-02 USIA-06

TRSE-00 SAJ-01 H-01 NSC-05 EB-08 /075 W

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FM AMEMBASSY LONDON

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SECDEF

INFO USMISSION NATO BRUSSELS

USCINCEUR

USNMR SHAPE

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USDOCOSOUTH

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AMEMBASSY BONN

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THE UK HAS LONG RECOGNIZED THE FORCE OF THESE ARGUMENTS
IN FAVOR OF A POLICY OF COLLABORATION IN MAJOR

PROJECTS...THE EPG (PROVIDES) A FRAMEWORK FOR EXTENDING AND ADVANCING EUROPEAN COOPERATION IN THE EQUIPMENT FIELD... THE PURPOSES OF THE EPG ARE: TO MAKE MORE EFFECTIVE USE OF THE RESOURCES THAT EUROPEAN COUNTRIES LIMITED OFFICIAL USE

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MAKE AVAILABLE...AND TO STRENGTHEN THE EUROPEAN FACTOR IN THE RELATIONSHIP WITH THE US AND CANADA."

6. THE TWO SECTIONS ON "THE MILITARY CAPABILITY OF THE WARSAW PACT" AND "NATO RESPONSE"--COVERING SOME TEN PAGES AND HENCE SIGNIFICANTLY THE LONGEST SECTIONS IN THE WHITE PAPER--TAKEN TOGETHER REFLECT A BALANCED AND SOBER BRITISH VIEW OF THE GROWING WARSAW PACT MILITARY CAPABILITY AND THE IMPORTANCE FOR NATO DETERRENCE OF MAINTAINING "SUFFICIENT MILITARY FORCES TO DETER AND, IF NECESSARY, RESIST AGGRESSION." THE SECTION ON THE THREAT UNDERSCORES THE "CONTINUING PRIORITY" GIVEN TO MILITARY PROGRAMS IN THE SOVIET UNION OVER THE PAST DECADE AND NOTES THAT "ALL EVIDENCE SUGGESTS THAT THIS MOMENTUM IS BEING MAINTAINED." PARTICULAR STRESS IS MADE ON THE IMPORTANCE OF CONVENTIONAL FORCES FOR NATO DEFENSE: "IF NATO WERE PATENTLY UNABLE TO SUSTAIN A STALWART CONVENTIONAL DEFENSE AGAINST CONVENTIONAL ATTACK, ITS ENEMIES MIGHT WELL CONCLUDE THAT AN ALLIANCE WHICH WAS SO NEGLECTFUL OF ITS OWN SECURITY WOULD BE UNLIKELY TO HAVE THE COLLECTIVE DETERMINATION TO ESCALATE A CONFLICT TO NUCLEAR LEVEL; THEY MIGHT THUS BE PERSUADED TO TAKE THE RISK OF LAUNCHING A CONVENTIONAL ATTACK."

7. ON THE DEFENSE BUDGET, THE WHITE PAPER GIVES THE 77/78 ESTIMATE AS "6,329 MILLION POUNDS...EQUIVALENT IN REAL TERMS OF THE TARGET AT 1976 SURVEY PRICES OF 5.447 MILLION POUNDS. PAY AND PRICE INCREASES OVER THE YEAR WERE 882 MILLION POUNDS. THE DEFENSE BUDGET IS ABOUT FIVE AND ONE HALF PERCENT OF THE ESTIMATED GNP AT FACTOR COST FOR 77/78, EQUIVALENT TO 5 PERCENT OF GDP AT MARKET PRICES."

8. THE PROPORTIONATE SHARES OF DEFENSE BUDGET EXPENDITURE ARE: A) EQUIPMENT AT 2,350 POUNDS FOR 37 PERCENT; B) ARMED FORCES PAY AND ALLOWANCES 1,452 MILLION POUNDS FOR LIMITED OFFICIAL USE

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23 PERCENT; C) BUILDINGS, MISCELLANEOUS STORES/SERVICES 1,105 MILLION POUNDS FOR 18 PERCENT; D) CIVILIAN PAY

1,077 MILLION POUNDS FOR 17 PERCENT; AND 3) FORCES
PENSIONS 345 MILLION POUNDS FOR 5 PERCENT. ON EQUIPMENT
EXPENDITURE OF 2,350 POUNDS, THE MAJOR BREAKDOWN IS
AS FOLLOWS: A) SEA SYSTEMS 653.3 MILLION POUNDS; B) LAND
SYSTEMS 464 MILLION POUNDS; C) AIR SYSTEMS 996.2 MILLION
POUNDS.

9. THE LEVEL OF DEFENSE SALES FOR 77/78 IS EXPECTED TO
REACH 850 MILLION POUNDS.

10. ON UK COMMITMENTS OUTSIDE NATO THE WHITE PAPER MAKES
NO MENTION OF NEW CUTS OR WITHDRAWALS--APART FROM THE
1979 PLANNED WITHDRAWAL FROM MALTA.

11. DEBATE ON THE DEFENSE WHITE PAPER IN COMMONS HAS NOT
BEEN SCHEDULED YET AND ITS TIMING DEPENDS VERY MUCH ON
WHETHER THE DEBATE ON DEVOLUTION IS OR IS NOT CUT SHORT.
NORMALLY IT WOULD TAKE PLACE BEFORE THE EASTER RECESS.
ARMSTRONG

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Message Attributes

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